



A PHI Company

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April 30, 2014

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

Ms. Alisa C. Bentley, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: PSC Docket No. 11-330 – Delmarva Power & Light Company
Energy Wise Rewards Residential Direct Load Control Program –
First Quarter 2014 Report

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DELAWARE P.S.C.

OK
Bentley
Dillard
Donoghue
Gannon
[Signature]

Dear Ms. Bentley:

Enclosed for filing are the original and ten (10) copies of Delmarva Power & Light Company's First Quarter 2014 Report in the above-referenced docket. This filing is being made in compliance with ordering Paragraph No. 4 of Order No. 8253 in Docket No. 11-330.

Should you have any questions, please feel free to contact me at the number referenced above or Heather Hall at 302-454-4828.

Respectfully submitted,

Pamela J. Scott

Enclosure

cc: Service List in Docket 11-330

**Delmarva Power
New Residential Air Conditioner Cycling Program
Quarterly Performance Report
January – March 2014
Order No. 8253**

Submitted by: Delmarva Power
On: April 30, 2014

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Program Implementation Status

1. Program Authorization: The New Residential Air Conditioner Cycling Program was approved on December 18, 2012, by Order No. 8253.
2. Launch of the Program Website and Program: The website became operational on April 11, 2013. Customer Education materials and *Energy for Tomorrow* (EFT) conversion materials were created, produced and distributed to support the launch of the Program in early April of 2013.

Device Goals

- 19,600 installed devices in the Program by the end of 2013.
- 41,200 installed devices in the Program by the end of 2014.
- 51,500 installed devices in the Program by the end of 2015.

Enrollments and Installations

The recruitment of customers for the Program began in April of 2013, with the installation of equipment following in short order as the customers enrolled and scheduled installation appointments.

The EFT-to-EWR (Energy Wise Rewards) conversion was the primary recruitment tool in 2013, and majority of installations associated with this process were completed by the end of Q1 2014. The Company also recruited customers through educational materials developed jointly for the Energy Wise Rewards and Peak Energy Savings Credit Programs, as well as its advertising campaign advising customers of the "2 Ways to Save" energy and money. The Company began door-to-door recruitment for Energy Wise Rewards participation in Q1 2014 in New Castle County. This recruitment effort will be used in conjunction with the joint Peak Energy Savings Credit awareness activities in 2014 to encourage customer participation.

The table below of monthly enrollment is provided in accordance with Delmarva Power's response to Staff's data request PSC-JCZ-7, in Docket No. 13-115, submitted on July 26, 2013. Enrollments signify a customer's request to participate in the Program, as well as the non-opt-outs in the EFT-to-EWR conversion process.

DR
Alisa
Dillard
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Program Enrollments

Month	Customer EWR Enrollment Requests	EFT Conversion to EWR Enrollments*	Total EWR Enrollments
April-13	242	0	242
May-13	569	3,581	4,150
June-13	1,142	6,170	7,312
July-13	1,990	4,098	6,088
August-13	1,181	6,926	8,107
September-13	620	3,267	3,887
October-13	721	8,475	9,196
November-13	140	11,335	11,475
December-13	378	3,258	3,636
Total 2013	6,983	47,110	54,093
January-14	1,081	1,652	2,733
February-14	2,776	1,497	4,273
March-14	1,611	0	1,611
Total 2014	5,468	3,149	8,617
Total	12,451	50,259	62,710

* It is important to note that the process for converting from Energy for Tomorrow to EWR takes between 10 and 12 weeks from the first notification to the customer to the installation of the device. This is largely due to the defined number of steps in the conversion process to ensure that customers receive the proper level of notification about the program to understand it and to make a decision as to whether to proceed or opt out. A customer is considered "enrolled" in the program after completion of the 3rd out of 4 notification steps, and remains enrolled for 6 weeks as the notification process is completed.

The table below lists the actual installations to date and the forecasted installations for the remainder of the Program.

Installation Goals

	Target	Actual
1Q 2013	-	-
2Q 2013	4,350	1,051
3Q 2013	7,650	9,667
4Q 2013	7,600	10,530
Total	19,600	21,248
1Q 2014	5,400	7,852
2Q 2014	5,400	
3Q 2014	5,400	
4Q 2014	5,400	
Total	21,600	7,852
1Q 2015	5,400	
2Q 2015	4,900	
3Q 2015	-	
4Q 2015	-	
Total	10,300	-
Total to Date	25,000	29,100

Customer Education/Awareness

1. Program and Customer Education Materials:

- The direct mail materials for EFT-to-EWR participant conversion began in April of 2013, and continued through Q4 2013. Device installations for former EFT customers were completed in Q1 2014.
- The direct mail materials for the Peak Energy Savings Credit (PESC) and EWR joint customer education campaign began in June of 2013 and concluded in September of 2013.

- The PESC and EWR joint advertising campaign was conducted between July of 2013 and September of 2013. The campaign used print ads, TV spots, radio spots and billboards throughout the State.
- The direct mail materials for EWR recruitment began in March of 2014, and additional mailings will occur later this year. This recruitment effort will be in conjunction with the PESC and EWR joint customer education campaign that will mainly occur during the summer months.

2. The website was available for customer enrollments beginning in April of 2013.

Program Cost Data

Table 1 below provides Program cost detail by quarter and Program to date.

**Delmarva Power Delaware
Residential Air Conditioner Direct Load Control (DLC) Program
Quarterly Performance Report
Through March 2014**

	O&M (Columns D, E, & F)		Contracted Support (Columns G, H)		Customer Installation Credit (Column I)		Customer Annual Incentives (Column J)		Customer Energy Rewards (Column K)		Program Totals		Variance
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
1Q 2013	\$ 290,820	\$ 92,878	\$ -	\$ -	\$ 326,154	\$ 27,135	\$ -	\$ -	\$ -	\$ -	\$ 616,974	\$ 119,811	\$ (497,163)
2Q 2013	\$ 408,008	\$ 183,179	\$ 1,028,444	\$ 95,407	\$ 1,043,588	\$ 391,812	\$ 248,400	\$ 41,580	\$ -	\$ -	\$ 2,726,440	\$ 681,958	\$ (2,044,482)
3Q 2013	\$ 408,008	\$ 181,199	\$ 1,873,550	\$ 1,283,735	\$ 733,844	\$ 567,875	\$ 405,000	\$ 408,140	\$ -	\$ -	\$ 3,220,403	\$ 2,440,749	\$ (779,654)
4Q 2013	\$ 408,008	\$ 269,696	\$ 1,673,550	\$ 2,195,215	\$ 570,784	\$ 315,747	\$ 405,000	\$ 463,450	\$ -	\$ -	\$ 3,057,323	\$ 3,215,107	\$ 157,784
2013 Totals	\$ 1,514,846	\$ 726,749	\$ 4,373,544	\$ 3,515,357	\$ 2,674,360	\$ 1,302,369	\$ 1,058,400	\$ 913,150	\$ -	\$ -	\$ 8,621,140	\$ 6,457,625	\$ (3,163,515)
1Q 2014	\$ 359,092	\$ 228,828	\$ 1,204,959	\$ 1,017,168	\$ 390,000	\$ 143,498	\$ 291,000	\$ 320,820	\$ 12,000	\$ -	\$ 2,237,548	\$ 1,710,314	\$ (527,334)
2Q 2014	\$ 359,092	\$ -	\$ 1,204,959	\$ -	\$ 940,000	\$ -	\$ 291,000	\$ -	\$ -	\$ -	\$ 2,805,548	\$ -	\$ (2,805,548)
3Q 2014	\$ 359,092	\$ -	\$ 1,204,959	\$ -	\$ 500,000	\$ -	\$ 291,000	\$ -	\$ -	\$ -	\$ 2,305,548	\$ -	\$ (2,305,548)
4Q 2014	\$ 359,092	\$ -	\$ 1,204,959	\$ -	\$ 390,000	\$ -	\$ 291,000	\$ -	\$ 85,000	\$ -	\$ 2,310,548	\$ -	\$ (2,310,548)
2014 Totals	\$ 1,476,367	\$ 228,828	\$ 4,819,824	\$ 1,017,168	\$ 2,160,000	\$ 143,498	\$ 1,166,400	\$ 320,820	\$ 97,000	\$ -	\$ 6,719,591	\$ 1,710,314	\$ (8,008,277)
2015 Totals	\$ 1,340,334	\$ -	\$ 2,295,342	\$ -	\$ 1,030,000	\$ -	\$ 556,200	\$ -	\$ 85,000	\$ -	\$ 5,309,878	\$ -	\$ (5,309,878)
2016 Totals	\$ 556,084	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,084	\$ -	\$ (806,084)
Program Totals	\$ 4,887,631	\$ 955,577	\$ 11,491,710	\$ 4,532,525	\$ 6,114,360	\$ 1,445,867	\$ 2,781,000	\$ 1,233,970	\$ 182,000	\$ -	\$ 25,496,691	\$ 8,167,939	\$ (21,328,752)

The Budget columns reflect the current projections of when costs will occur, based on the timing of the launch of the program.

The O&M column reflects the total of the Contracted Support, Program Administration, Maintenance Services, and Evaluation columns from the original filing.

The original Participant Credit column has been split into Customer Installation Credit and Customer Annual Incentives.

Customer Annual Incentives reflects credits to Third Party Supplier customers who did not participate in the Peak Energy Savings program, but did participate in Energy Wise Rewards.

Customer Annual Incentives budget has been updated to align with the approved program budget. In the event that the number of customers with a Third Party Supplier increase the budget may need to be revised to support the change in customer base.

The Customer Annual Incentives that were budgeted in 2013 were moved to 2014.

In the 4Q report of each year, the budget for the subsequent year will be broken out by quarter.

Revenues

As this is the first year of implementation for the EWR Program, there are no PJM market revenues for the 2013/14 PJM delivery year. PJM market earnings for EWR will begin accruing in the 2014/15 delivery year, beginning June 1, 2014.